

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1546 - SB 2549**

February 12, 2016

**SUMMARY OF BILL:** Prohibits the Commissioner of the Department of Financial Institutions (DFI) from using a multi-state automated licensing system (NMLS) to share Federal Bureau of Investigation (FBI) criminal history background information of any individual other than mortgage loan originators, unless authorized to do so by the federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), or other federal law.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. §§ 45-5-202(g) and (h) and Tenn. Code Ann. §§ 45-13-202(d) and (e), the DFI is authorized to conduct criminal history background checks through the Tennessee Bureau of Investigations or the FBI, or both, on any individual who is an officer, partner, managing member, managing principal, branch manager or ultimate equitable owner of 10 percent or more of an applicant for a license under the *Industrial Loan and Thrift Companies Act* or the *Tennessee Residential Lending, Brokerage and Servicing Act*, as well as on any individual associated with the applicant as is reasonably necessary to meet the purposes of the acts.
- The DFI reports that the FBI has not approved NMLS as a channeling agent of FBI criminal history record information between the states and FBI for persons other than mortgage loan originators, as authorized by the SAFE Act.
- As a result, the DFI is currently unable to use NMLS as a channeling agent for FBI criminal history background information for persons under the acts, other than mortgage loan originators.
- The proposed legislation adds clarifying language to the acts to address the FBI's concerns regarding specific language in the acts with respect to criminal history checks. This language addition accomplished with this bill does not have an operational or fiscal impact on the DFI.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

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Assumptions:

- The proposed legislation is adding clarifying language to the two acts to address FBI's concerns with the current criminal history checks language in the acts.
- The DFI's current procedures regarding criminal history checks will not be affected.
- The number of background checks conducted and the costs incurred by applicants in such background checks will not change.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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